



SHRM[®]

SOCIETY FOR HUMAN
RESOURCE MANAGEMENT

SHRM Poll: Drug Testing Efficacy

In collaboration with and commissioned by the Drug & Alcohol Testing Industry Association (DATIA)

September 7, 2011

About the Respondents

Staff size categories of respondents:

- The majority of organizations had fewer than 2,500 employees (80%):
 - More than one-third of organizations had 100 to 499 employees (36%).
 - Nearly one-quarter of respondents had 1 to 99 employees (24%).
 - One-fifth of respondents had 500 to 2,499 employees (20%).

Sectors of respondents:

- The majority of organizations were publicly owned for-profits (50%).
 - Almost one-fifth each were from privately owned for-profits (19%) and nonprofit organizations (19%).

Industry of respondents:

- The largest proportion of organizations were from the manufacturing (18%) and health care (14%) industries.

Key Findings

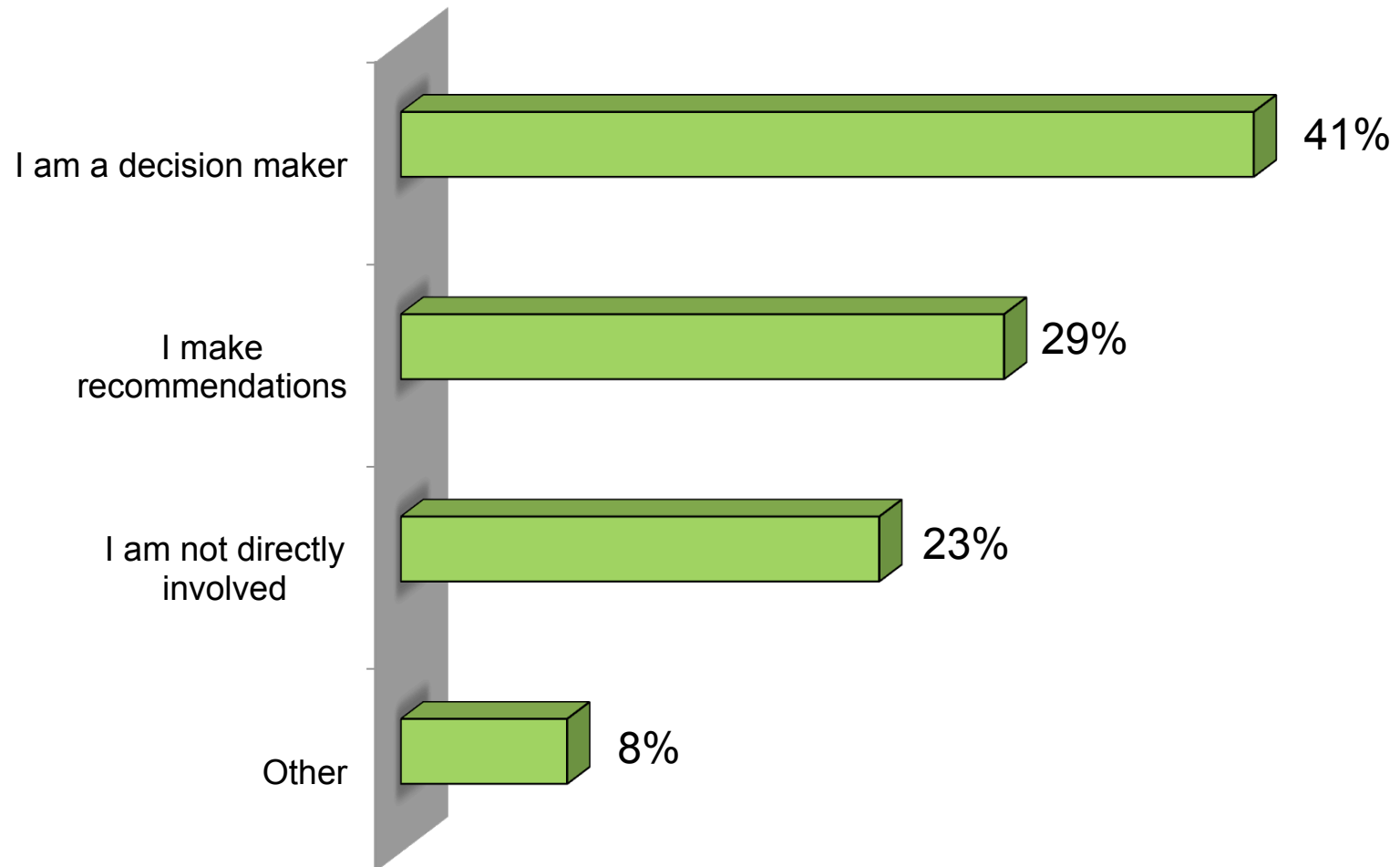


- **What percentage of organizations conducted pre-employment drug testing in 2011?** More than one-half of organizations (57%) indicated that they conduct drug testing on all job candidates. More than one-quarter (29%) of the organizations do not have a pre-employment drug testing program.
- **Is there a tie between drug testing programs and absenteeism?** Yes. In organizations with high employee absenteeism rates (more than 15%), the implementation of a drug testing program appears to have an impact. Nine percent of organizations reported high absenteeism rates (>15%) prior to a drug testing program, whereas only 4% of organizations reported high absenteeism rates after the implementation of a drug testing program, a decrease of approximately 50%.
- **Are workers' compensation rates affected by drug testing programs?** Yes. In organizations with high workers' compensation incidence rates (>6%), the implementation of a drug testing program appears to have an impact. Fourteen percent of organizations reported high workers' compensation incidence rates prior to a drug testing program, whereas only 6% of organizations reported similar rates of workers' comp after the implementation of a drug testing program, a decrease of approximately 50%.
- **Do drug testing programs improve employee productivity rates?** Nearly one-fifth (19%) of organizations experienced an increase in productivity after the implementation of a drug testing program.
- **How much of an impact do drug testing programs have on employee turnover rates?** Sixteen percent of organizations saw a decrease in employee turnover rates after the implementation of drug testing programs.
- **Do multinational organizations apply similar drug testing protocols/policies in the United States and globally?** Nearly three-quarters (72%) of organizations that have multinational operations indicated that all, almost all or some of the same protocols/policies are applied while conducting drug tests outside the United States.

Organizations with Drug Testing Programs

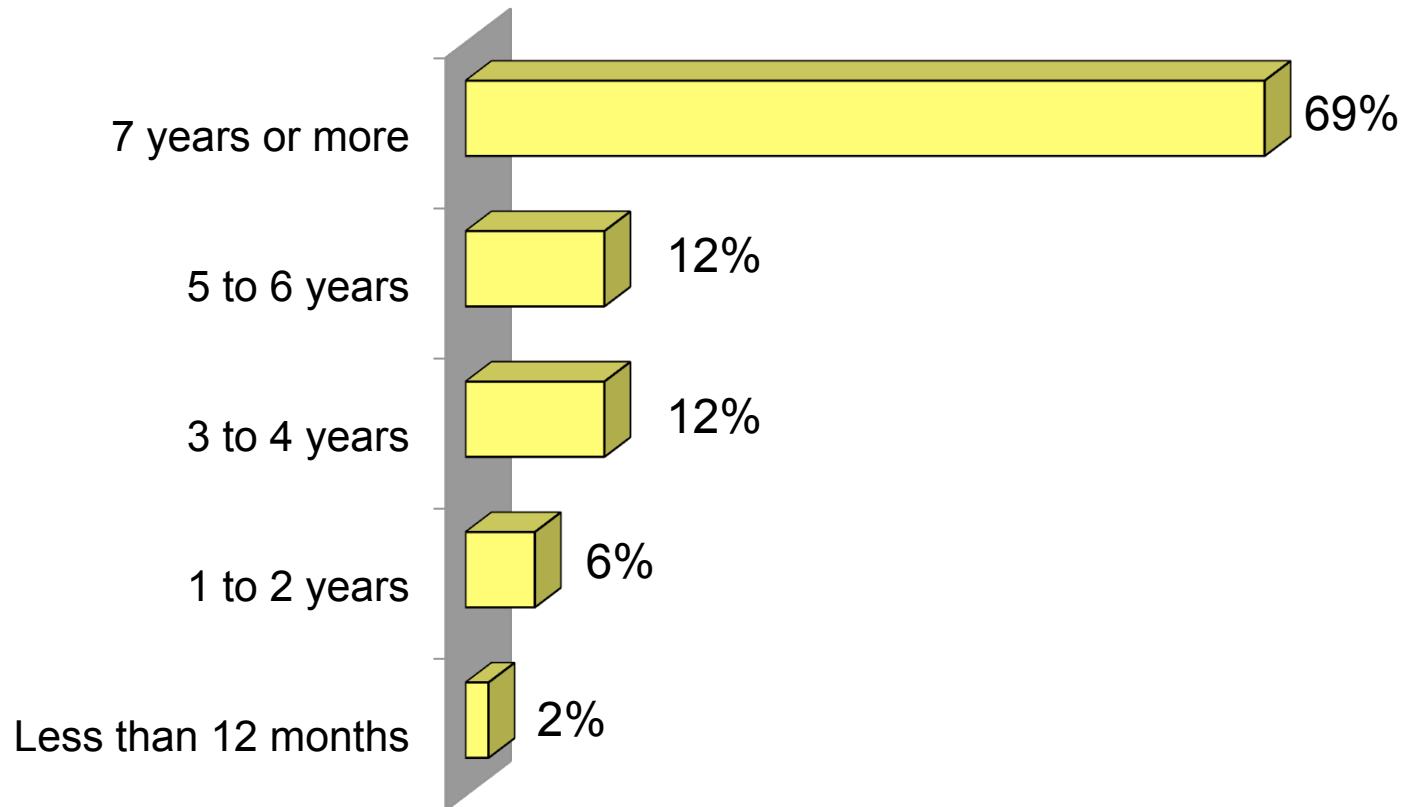
- Pre-employment with job candidates
- Post-employment with employees
- Pre-and/or post-employment with contract employees

How are you involved in your organization's drug testing program?



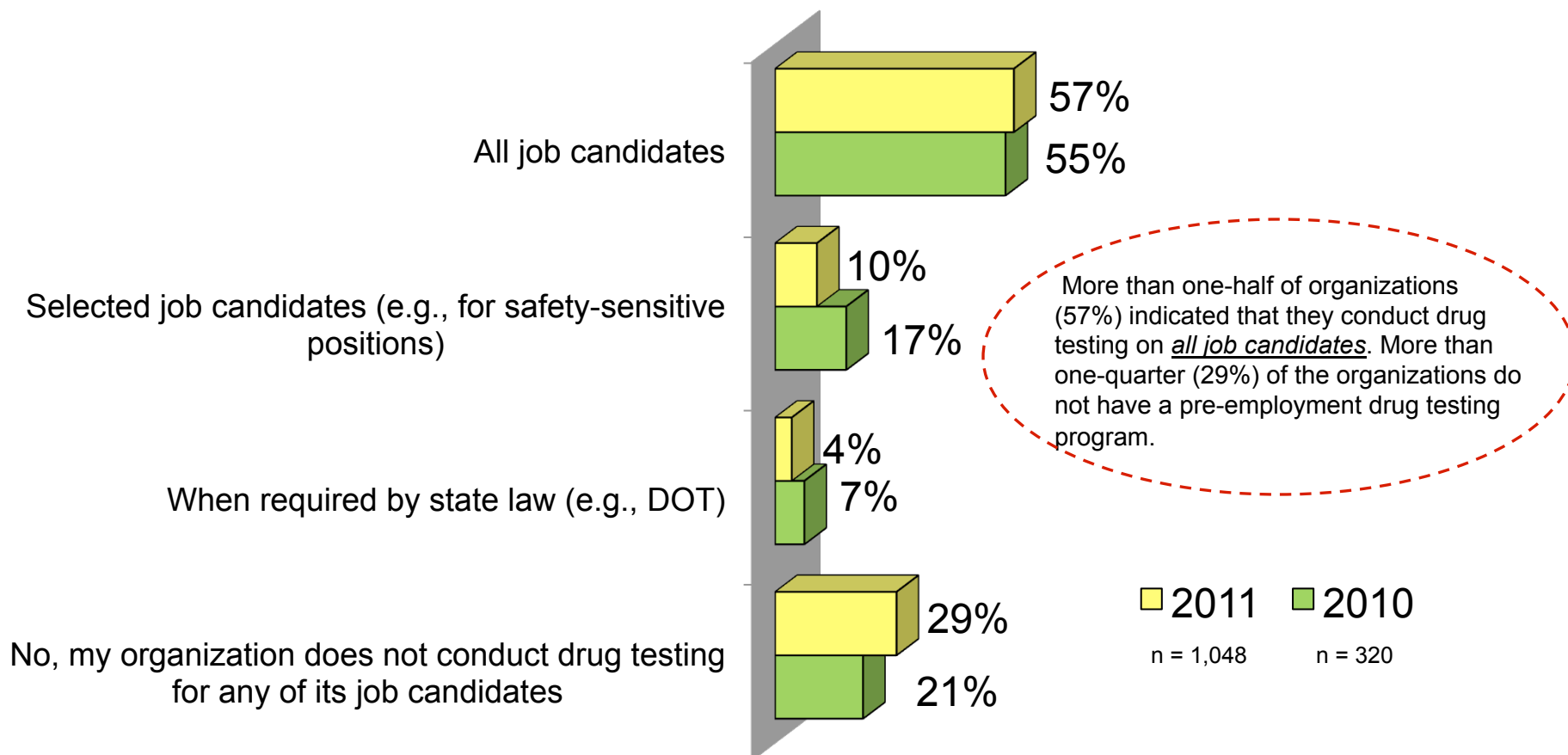
Note: n = 636. HR professionals who answered "not sure" were excluded from this analysis. Percentages do not total 100% due to rounding.

For approximately how many years has your organization been conducting pre- and/or post-employment drug testing?



Note: n = 626. Percentages do not total 100% due to rounding. HR professionals were asked to round to the highest year.

Does your organization conduct pre-employment drug testing with job candidates?



Note: HR professionals who answered "not sure" were excluded from this analysis.

Does your organization conduct pre-employment drug testing with job candidates?

Comparison by Organization Staff Size

Larger organizations (2,500 or more employees) are **more likely** to conduct pre-employment drug testing for **all job candidates** compared with smaller organizations (fewer than 2,500 employees).

Smaller Organizations	Larger Organizations	Differences Based on Organization Staff Size
<ul style="list-style-type: none"> •1 to 99 employees (39%) •100 to 499 employees (56%) •500 to 2,499 employees (62%) 	<ul style="list-style-type: none"> •2,500 to 24,999 employees (71%) •25,000 + employees (71%) 	Larger organizations > smaller organizations

Comparison by Organization Sector

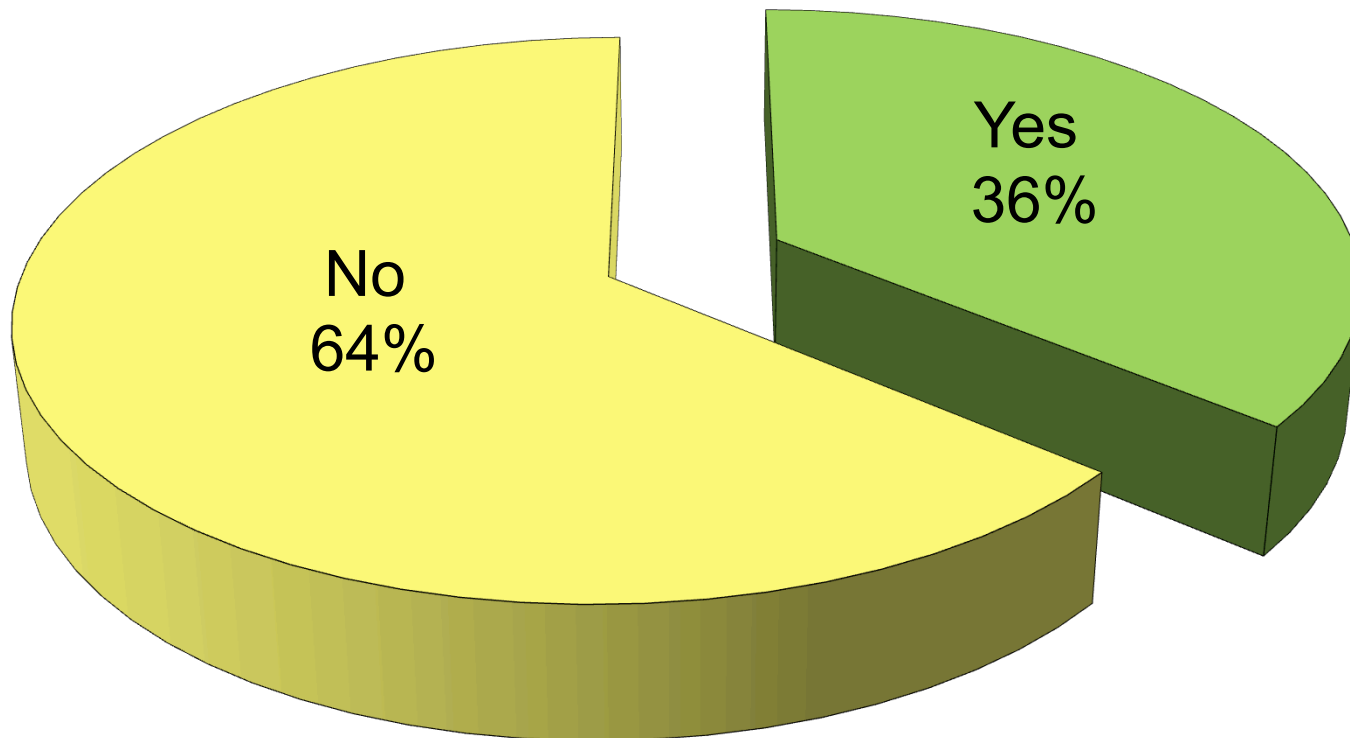
Publicly owned for profit organizations are **more likely** to conduct pre-employment drug testing for **all job candidates** compared with privately owned organizations, nonprofit organizations and government agencies.

Organization Sector	Differences Based on Organization Sectors
<ul style="list-style-type: none"> •Publicly owned for profit (71%) •Privately owned for profit (55%) •Nonprofit organizations (49%) •Government agencies (51%) 	Publicly owned for -profit > <ul style="list-style-type: none"> •Privately owned for-profit •Nonprofit organizations •Government agencies

Government agencies are **more likely** to conduct pre-employment drug testing for **selected job candidates** compared with publicly owned for-profit organizations, privately owned for-profit organizations and nonprofit organizations.

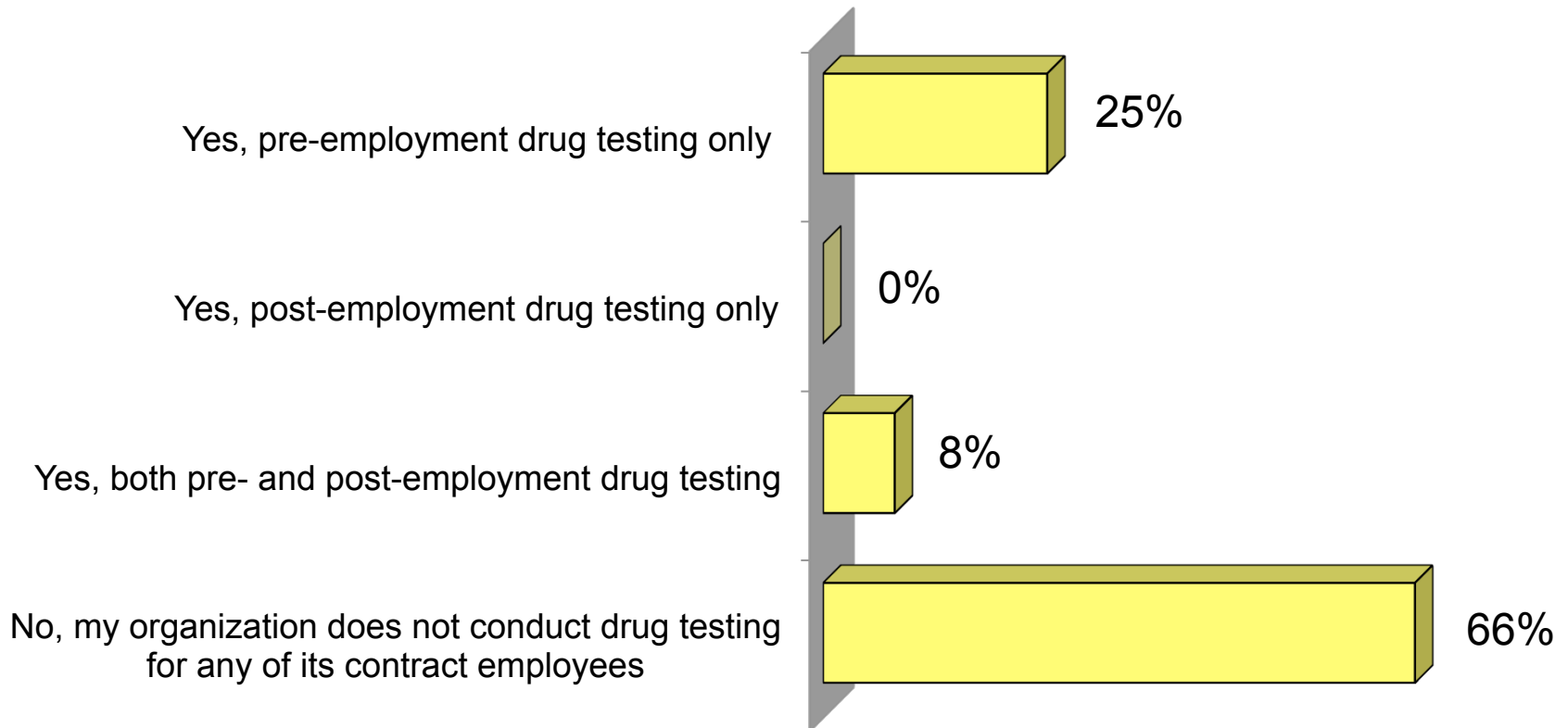
Organization Sector	Differences Based on Organization Sectors
<ul style="list-style-type: none"> •Government agencies (23%) •Publicly owned for-profit (8%) •Privately owned for-profit (8%) •Nonprofit organizations (6%) 	Government agencies > <ul style="list-style-type: none"> •Publicly owned for-profit •Privately owned for-profit •Nonprofit organizations

Does your organization conduct post-employment drug testing with current employees?



Note: n = 1,029. Percentages do not include HR professionals who indicated that they were “not sure” if their organizations conducted post-employment drug testing with current employees.

Does your organization conduct pre- and/or post-employment drug testing with its contract employees?



Note: n = 754. HR professionals who responded "not applicable" and "not sure" were excluded from this analysis. Percentages do not total 100% due to rounding.

Does your organization conduct pre- and/or post-employment drug testing with its contract employees?



Comparison by Organization Staff Size

Larger organizations (500 or more employees) are **more likely** to conduct pre-employment drug testing for **contract employees** compared with smaller organizations (fewer 500 employees).

Smaller Organizations	Larger Organizations	Differences Based on Organization Staff Size
<ul style="list-style-type: none">•1 to 99 employees (17%)•100 to 499 employees (19%)	<ul style="list-style-type: none">•500 to 2,499 employees (30%)•2,500 to 24,999 employees (36%)•25,000+ employees (44%)	Larger organizations > smaller organizations

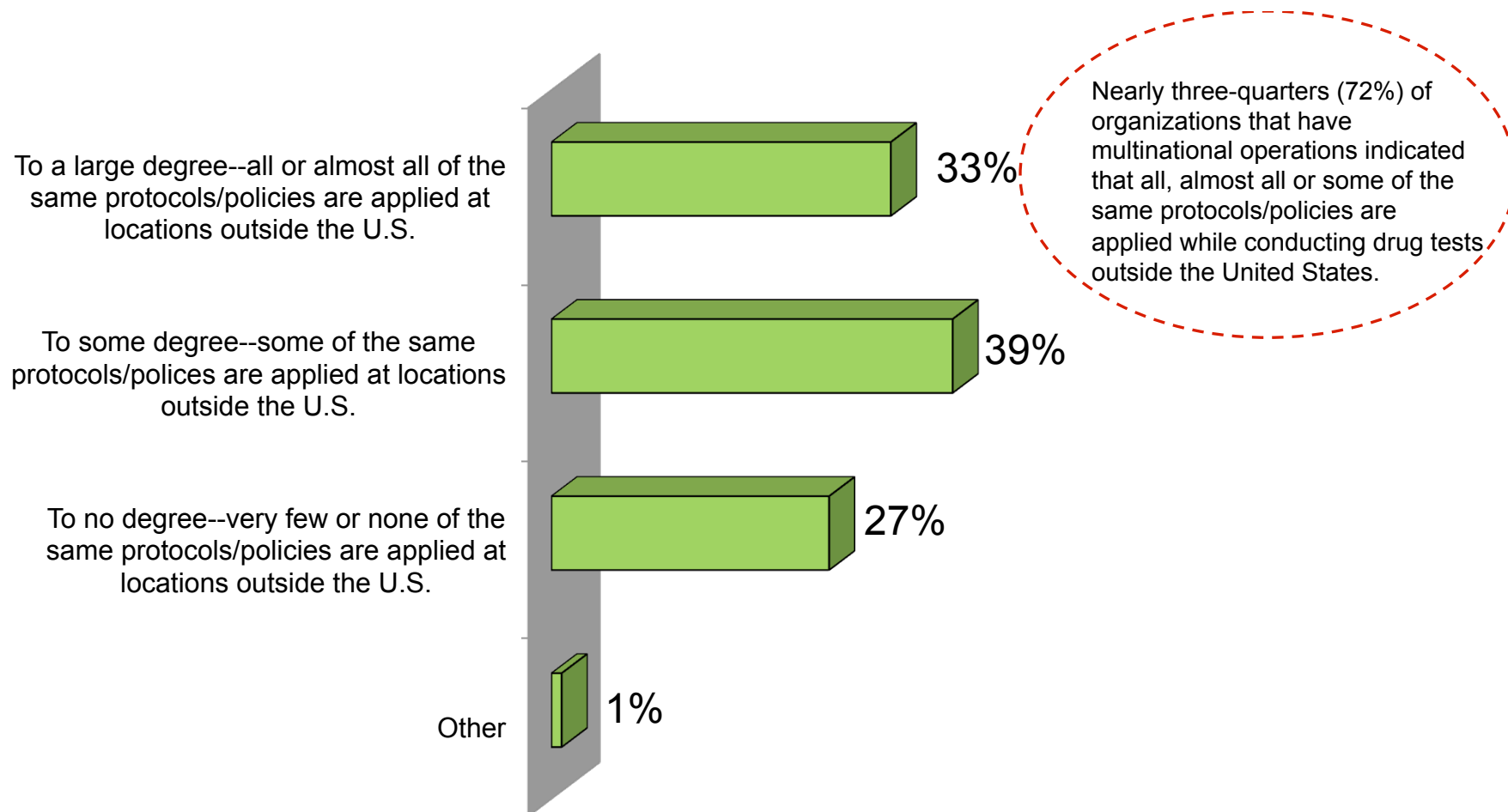
Which of the following post-employment drug tests does your organization conduct?

Drug Test Used	2011 (n = 313)	2010 (n = 222)	2006 (n = 222)
Post-accident testing (administered to all employees who are or may have been involved in a workplace accident)	51%	69%	58%
Random testing (conducted on an unannounced basis using a neutral selection process and has the highest deterrence and detection impacts; a certain portion of the employee population is randomly selected periodically throughout the year)	47%	46%	39%
Reasonable suspicion testing (occurs when an employer has reason to believe that an employee is under the influence of drugs and/or alcohol)	35%	80%	73%
Follow-up testing (conducted during and after an employee has been referred to an employee assistance or other rehabilitation program)	20%	30%	*
For-cause testing is based on indicia that an employee may have a substance-abuse problem (e.g. excessive absenteeism, performance problems, dramatic mood swings, etc.).	19%	*	*
Site testing (based on suspicion of a significant drug-abuse problem—e.g., based on employee complaints—at a specific work site and involves testing of all employees at that site on a one-time basis)	8%	13%	*
Baseline testing (conducted to establish the level of drug use at implementation of a program; this method essentially “cleans house” to establish a drug-free workplace)	6%	22%	1%
Other	4%	*	*

Note: Percentages do not total 100% due to multiple responses.

“” indicates question was not asked.*

To what degree are the U.S. pre- and/or post-employment protocols/policies also applied at locations outside the United States?



Note: n = 150. Percentages do not total 100% due to rounding. Only organizations with multinational operations were asked this question.

Impact of Drug Testing Programs

- Absenteeism
- Workers' compensation
- Employee productivity
- Employee turnover

Absenteeism rates at organizations before and after drug testing program implementation

	Before implementation of a drug testing program <i>(n = 162)</i>	After implementation of a drug testing program <i>(n = 218)</i>
0-15%	91%	96%
More than 15%	9%	4%

9% of organizations reported high absenteeism rates, (more than 15%).
After implementation of a drug testing program only 4% of organizations reported high absenteeism rates, a decrease of approximately 50%.

Note: HR professionals who answered "not sure" were excluded from this analysis.

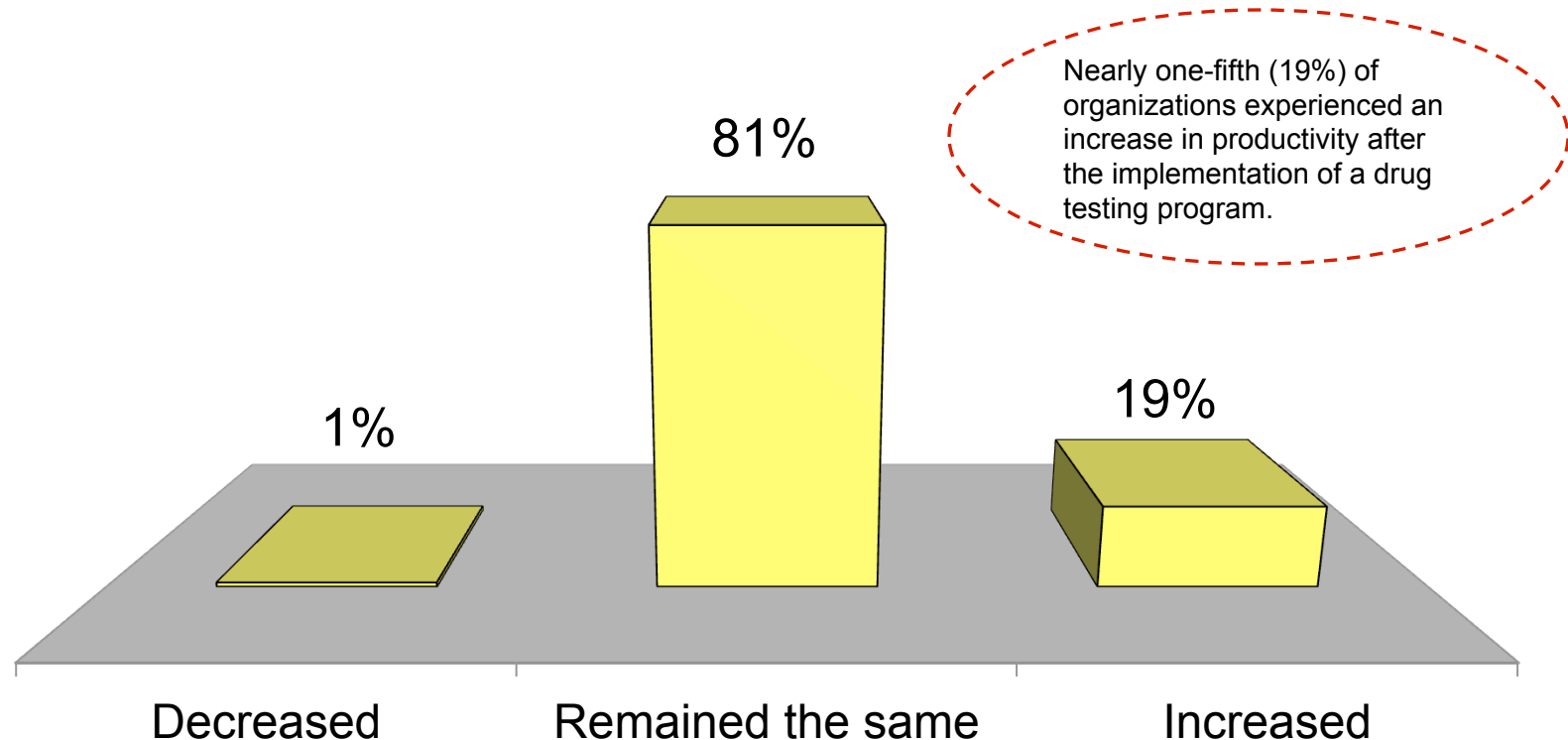
Workers' compensation incidence rates at organizations before and after drug testing program implementation

	Before implementation of a drug testing program (n = 255)	After implementation of a drug testing program (n = 312)
0-6%	86%	94%
More than 6%	14%	6%

14% of organizations reported high workers' compensation incidence rates prior to a drug testing program, whereas only 6% of organizations reported similar rates of workers' comp after the implementation of a drug testing program, a decrease of approximately 50%.

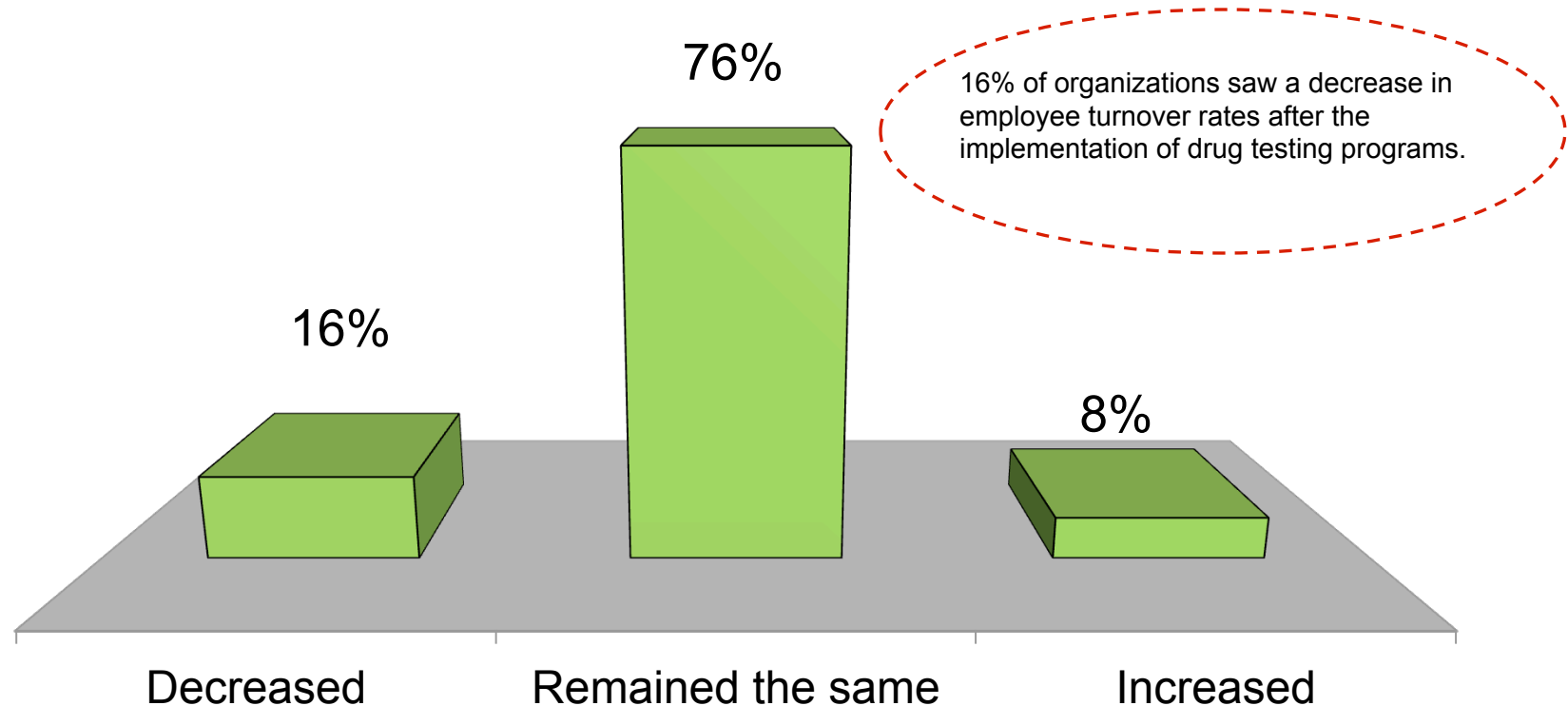
Note: HR professionals who answered 'not sure' were excluded from this analysis.

Change in employee productivity in organizations after drug testing program implementation



Note: n = 513. HR professionals who answered "not sure" were excluded from this analysis. Percentages do not total 100% due to rounding.

Change in employee turnover rates in organizations after drug testing program implementation

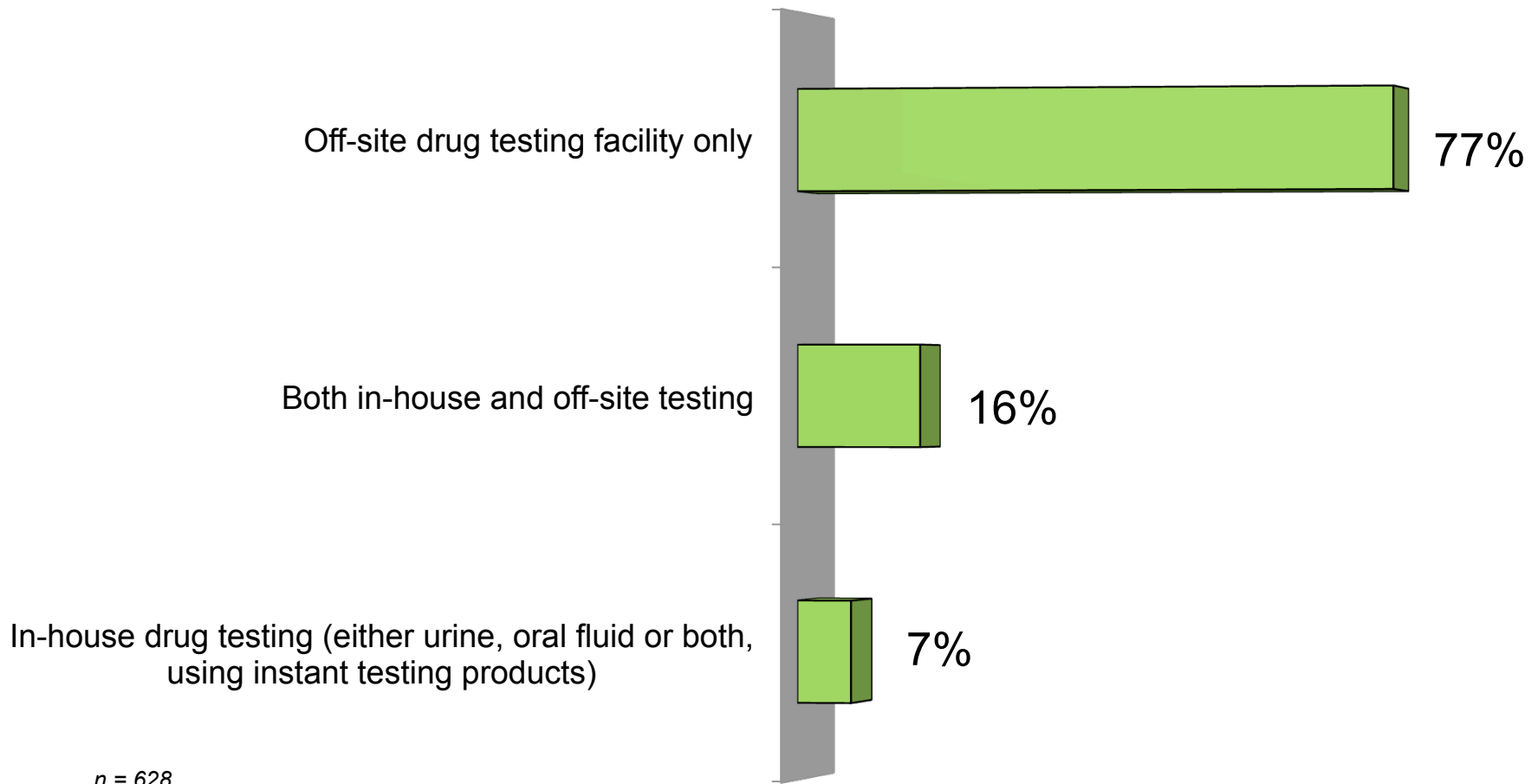


Note: n = 520. HR professionals who answered "not sure" were excluded from this analysis.

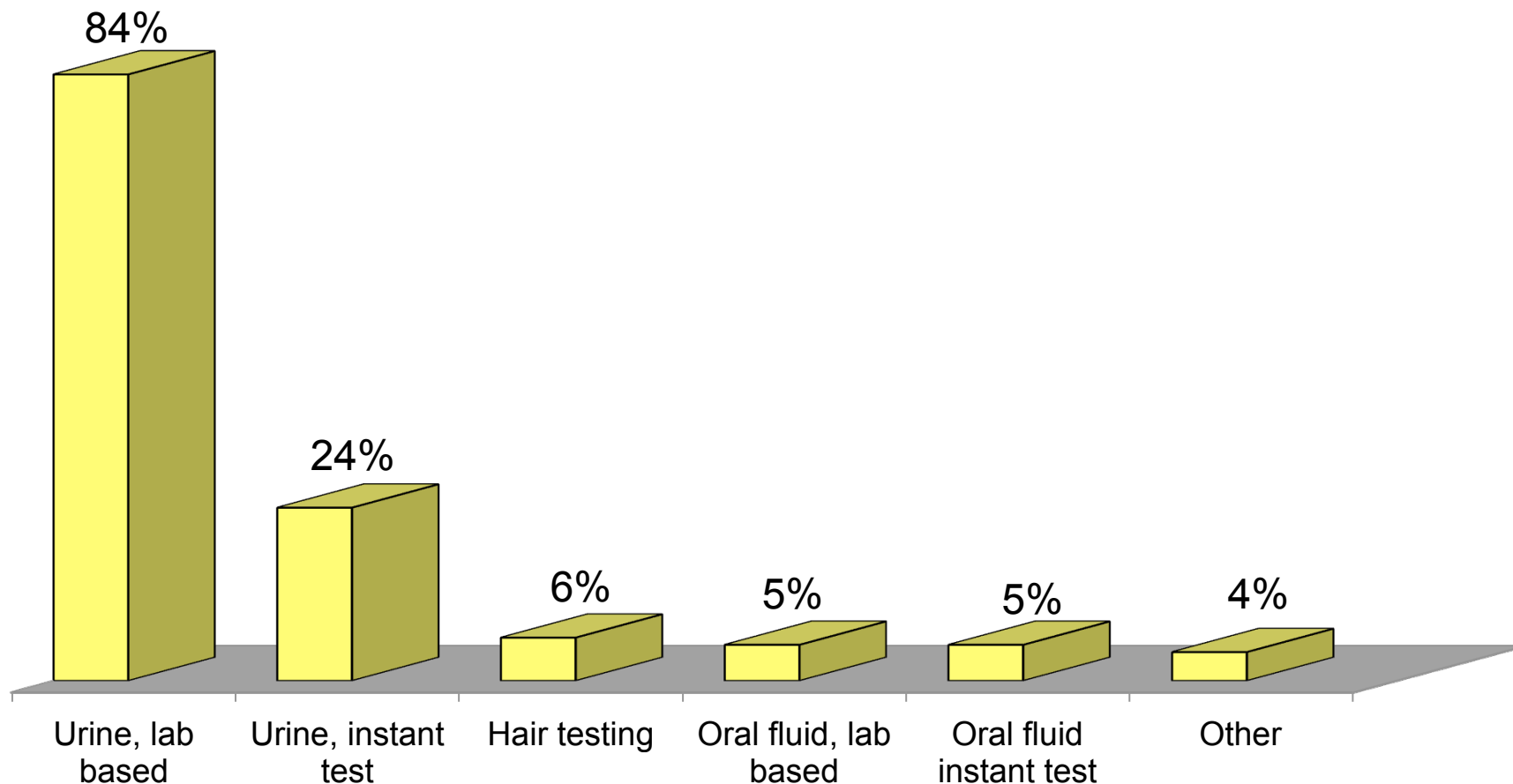
How Drug Tests Are Performed

- Where?
- What type?
- How much?

Does your organization conduct drug testing in-house or at an off-site testing facility run by another entity?

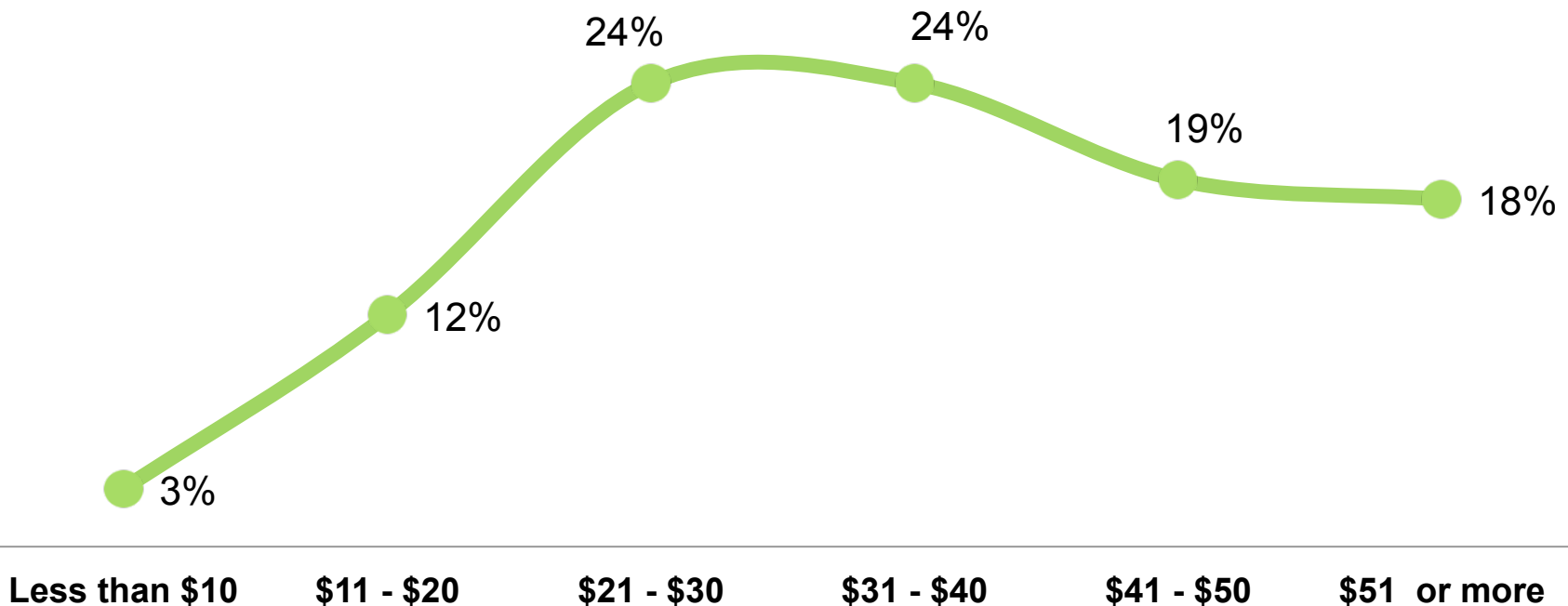


What type of sample is used for your organization's drug testing program?



Note: n = 634. Percentages do not total 100% due to multiple responses.

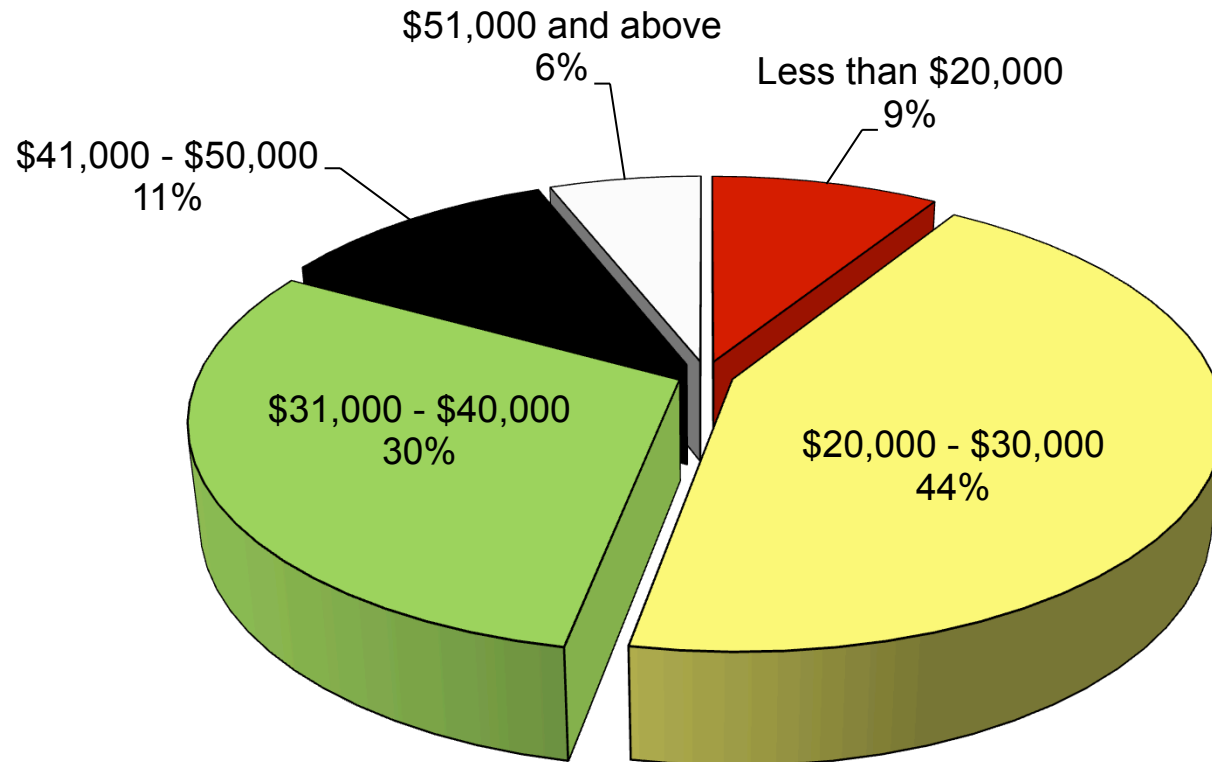
How much does it cost your organization each time a drug test is conducted (per employee or job candidate)?



n = 633

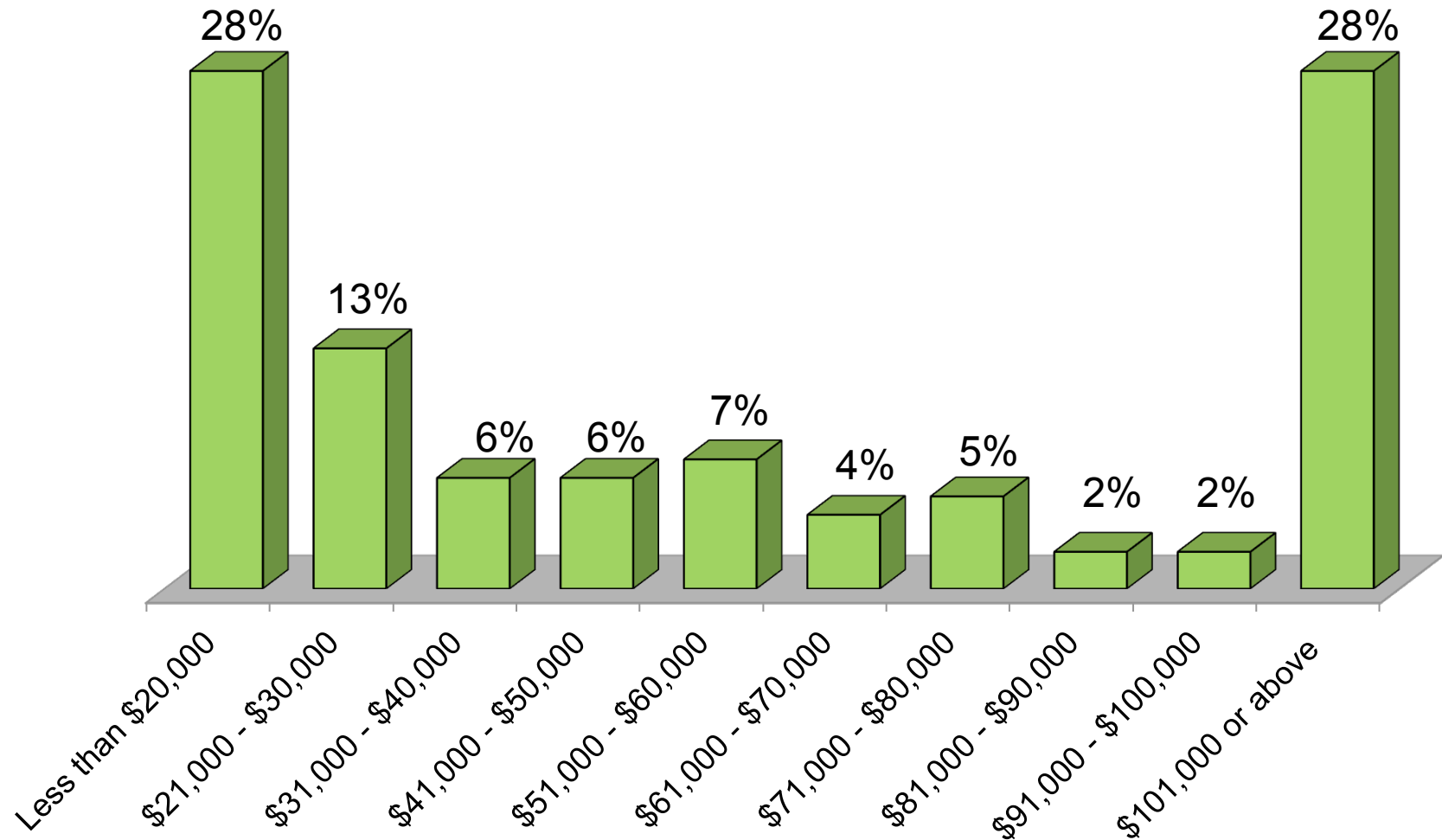
Characteristics of Organizations With Drug Testing Programs

What is the average entry-level full-time annual salary at your organization?



n = 632.

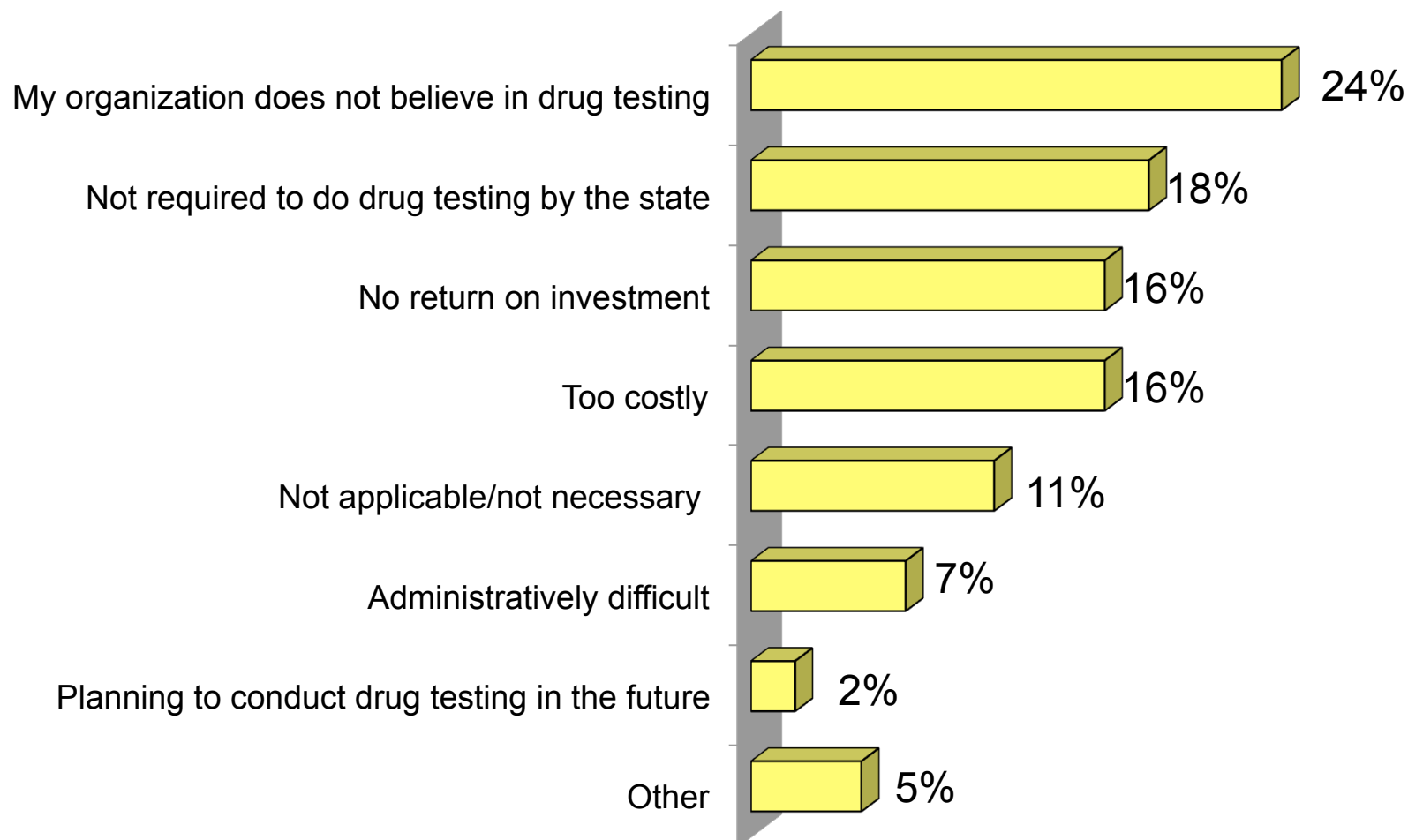
In 2010, how much did your organization spend on recruiting, training and drug testing combined?



Note: n = 595. Percentages do not total 100% due to rounding.

Organizations that Do Not Have Drug Testing Programs

What are the primary reasons your organization does not conduct pre-and/or post-employment drug testing?



Note: n = 262. Percentages do not total 100% due to rounding.

What is the primary reason your organization does not conduct pre- and/or post-employment drug testing?

Comparison by Organization Staff Size

	1-99 employees (n = 104)	100-499 employees (n = 95)	500-2,499 employees (n = 36)	2,500-24,999 employees (n = 21)	25,000 or more employees (n = 6)
My organization does not believe in drug testing	23%	22%	28%	19%	17%
Not required to do drug testing by state	21%	6%	25%	24%	33%
No return on investment	11%	19%	25%	5%	0%
Too costly	14%	19%	11%	19%	17%
Not applicable/not necessary	15%	10%	0%	0%	0%
Administratively difficult	4%	9%	3%	19%	0%
Plan to conduct drug testing in the future	4%	3%	0%	0%	0%
Other	7%	11%	8%	14%	33%

Note: n = 262. Some row percentages do not total 100% due to rounding. Caution should be used when generalizing results when the sample size is less than 30 for any category.

Demographics

Demographics: Industry

Industry	
Manufacturing	18%
Health care and social assistance	14%
Professional, scientific and technical services	11%
Finance and insurance	9%
Educational services	5%
Public administration	5%
Retail trade	4%
Accommodation and food services	3%
Construction	3%
Utilities	3%
Arts, entertainment and recreation	2%
Information	2%

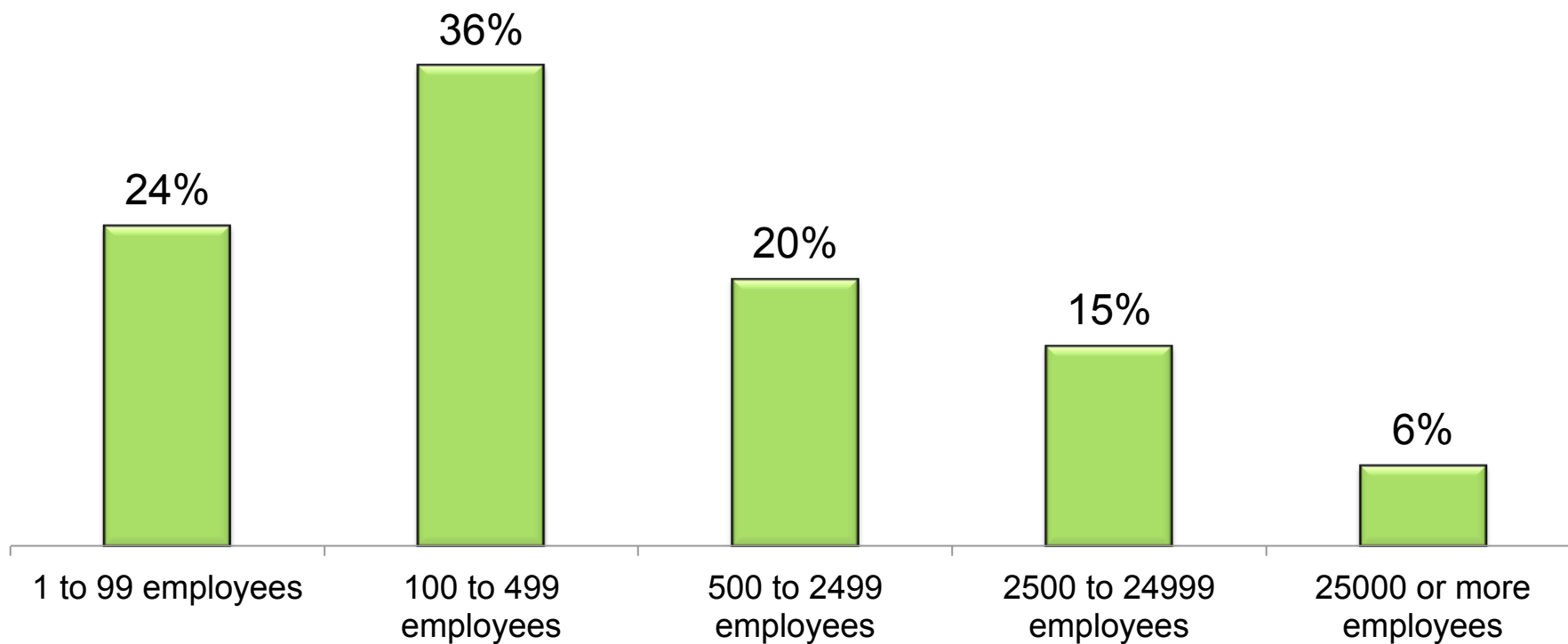
n = 1,024

Demographics: Industry (Continued)

Industry	
Real estate and rental and leasing	2%
Religious , grant-making, civic, professional and similar organizations	2%
Transportation and warehousing	2%
Wholesale trade	2%
Administrative and support and waste management and remediation services	1%
Agriculture, forestry, fishing and hunting	1%
Management of companies and enterprises	1%
Mining	1%
Repair and maintenance	1%
Personal and laundry services	--
Private households	--
Other services except public administration	8%

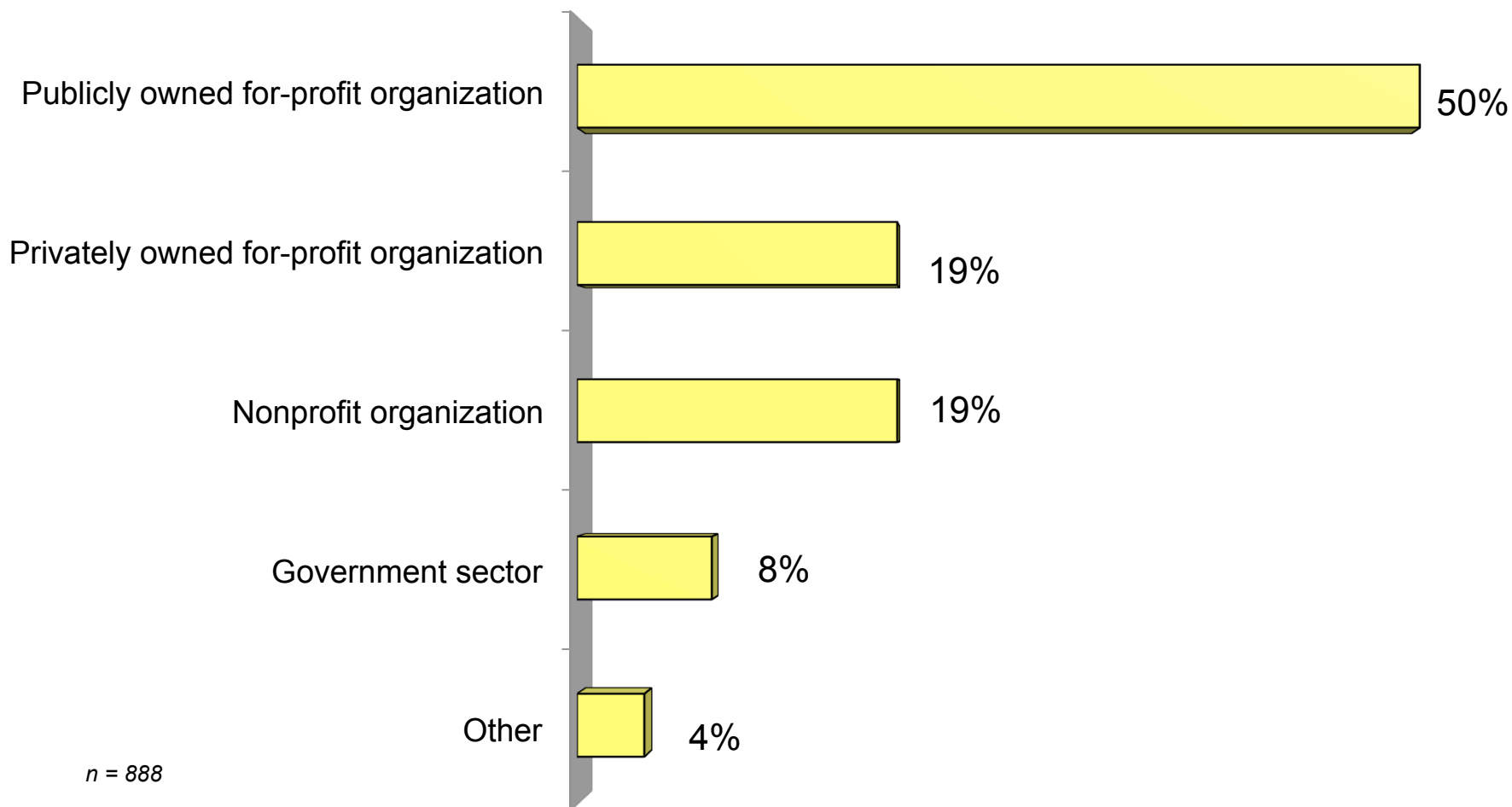
n = 1,024

Demographics: Organization Staff Size



Note: n = 899. Percentages do not total 100% due to rounding.

Demographics: Organization Sector



Demographics: Other

Does your organization have U.S.-based operations (business units) only or does it operate multinationally?

U.S.-based operations	78%
Multinational operations	23%

Note: n = 906. Percentages do not total 100% due to rounding.

Are HR policies and practices determined by the multi-unit corporate headquarters, by each work location or both?

Multi-unit headquarters determines HR policies and practices	57%
Each work location determines HR policies and practices	3%
A combination of both the work location and the multi-unit headquarters determine HR policies and practices	40%

Note: n = 619

Is your organization a single-unit company or a multi-unit company?

Single-unit company: A company in which the location and the company are the same.	32%
Multi-unit company: A company that has more than one location.	68%

Note: n = 863

Level of HR department/function for which you responded through this survey.

Corporate (company wide)	75%
Business unit/division	14%
Facility/location	11%

Note: n = 621

Methodology



- Response rate = 20%
- Sample composed of 1,058 randomly selected HR professionals from SHRM's membership
- Margin of error is +/- 3%
- Survey fielded March 1-14th , 2011

For more poll findings, visit www.shrm.org/surveys

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